

LOCAL SALES TAX RATE CHANGE – CARTER COUNTY

Notice #08-23

Sales and Use Tax

November 2008



Highlights

➤ *Effective 1/1/2009 the local sales tax rate changes in Carter County*

➤ *New rate is 2.75%*

➤ *Single article tax rate*



References:

T.C.A. § 67-6-702

INTRODUCTION

This notice is intended to provide taxpayers and the general public with information concerning a recent change in the local sales and use tax rate in Carter County, Tennessee.

Effective January 1, 2009, the governing body of Carter County Tennessee has increased the local sales tax rate to 2.75% by means of a referendum approved by a majority of the voters. The new rate will apply to all taxable sales of tangible personal property and taxable services made on or after January 1, 2009, by sellers located in all areas of Carter County, Tennessee, including the cities of Elizabethton, Watauga, and Johnson City.

Elizabethton had previously increased the local sales tax rate to 2.75% effective October 1, 2008.

The corresponding local consumer use tax rate for persons in Carter County also increases to 2.75%

DISCUSSION

The local option tax rate is applicable to the first \$1,600 of the sale price of any single article of tangible personal property sold, unless that item is specifically exempted from local tax or taxed at another rate by statute. The local tax cap on sales of single articles of tangible personal property will be \$44. The local rate is also applicable to the total sales price of any taxable service.

In addition, there is a state single article tax rate of 2.75% applicable to the sales price, from \$1,600.01 up to and including \$3,200, of any item of tangible personal property.

The information provided here is current as of the date of publication but may change as a result of new statutes, regulations, or court decisions. While this notice is intended to be comprehensive, events and situations unanticipated by this notice may occur. In such cases you should contact the department or your tax professional for further guidance.